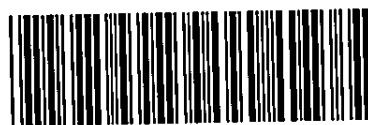


Company Registration No. 4377175 (England and Wales)

**PARTHENON ENTERTAINMENT LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

WEDNESDAY



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COMPANIES HOUSE

# **PARTHENON ENTERTAINMENT LIMITED**

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# **PARTHENON ENTERTAINMENT LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO PARTHENON ENTERTAINMENT LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Parthenon Entertainment Limited for the year ended 31 March 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

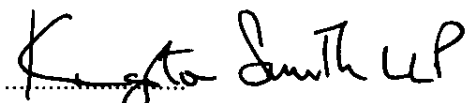
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



**Kingston Smith LLP**

Chartered Accountants

**Registered Auditors**

141 Wardour Street

London

W1F 0UT

5/12/2008.

# PARTHENON ENTERTAINMENT LIMITED

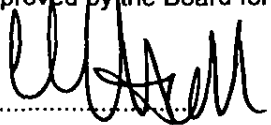
## ABBREVIATED BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Intangible assets	2	6,211,148		4,262,002	
Tangible assets	2	508,372		480,661	
Investments	2	103		103	
		<u>6,719,623</u>		<u>4,742,766</u>	
<b>Current assets</b>					
Debtors		1,752,347		1,305,325	
Cash at bank and in hand		464,599		176,414	
		<u>2,216,946</u>		<u>1,481,739</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(4,581,080)</u>		<u>(3,728,043)</u>	
<b>Net current liabilities</b>		<u>(2,364,134)</u>		<u>(2,246,304)</u>	
<b>Total assets less current liabilities</b>		<u>4,355,489</u>		<u>2,496,462</u>	
<b>Creditors: amounts falling due after more than one year</b>		<u>(2,332,518)</u>		<u>(1,260,781)</u>	
<b>Provisions for liabilities</b>		<u>(515,084)</u>		<u>(294,161)</u>	
		<u>1,507,887</u>		<u>941,520</u>	
<b>Capital and reserves</b>					
Called up share capital	3	100		100	
Profit and loss account		<u>1,507,787</u>		<u>941,420</u>	
<b>Shareholders' funds</b>		<u>1,507,887</u>		<u>941,520</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board for issue on 04/12/2008



C V Hall  
Director

# **PARTHENON ENTERTAINMENT LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

### **FOR THE YEAR ENDED 31 MARCH 2008**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The accounts have been prepared on the going concern basis as the directors believe that the company will continue to be able to trade and to meet its liabilities as they fall due for a period of not less than twelve months from the date of signature of the financial statements.

On 7 August 2008 the company entered into a loan agreement with Coutts & Co for £3million which replaces a previous loan of £1.5million. This loan is repayable on demand but the intention is that the loan will be available to the Company until 31 May 2009, when it will be reviewed and extended by mutual agreement. At the same time the Company and its parent undertaking Parthenon Entertainment Group Limited increased its overdraft facility with Coutts & Co from £1.85million to a net limit of £2.25million. This overdraft is repayable on demand, and has a review date of 31 May 2009.

These facilities are secured on the assets of both the Company and Parthenon Entertainment Group Limited. Specific security taken by Coutts & Co on the group is in relation to a mortgage debenture together with a fixed charge over the group's intellectual property.

The directors have prepared profit and loss and cash flow forecasts for the twelve months from the date of signature of the financial statements which show profitable trading for that period.

##### **1.2 Changes in accounting policies**

The company has provided for deferred tax in the year ended 31 March 2007 which was not previously accounted for in previous years which gave rise to a prior year adjustment as stated in the Statement of Total Recognised Gains and Losses. The prior year adjustment in the 31 March 2007 accounts represents a change in accounting policy and solely affects the 31 March 2008 comparative figures in the Statement of Total Recognised Gains and losses.

##### **1.3 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### **1.4 Turnover**

Distribution income represents the invoiced value of license fees less irrecoverable withholding tax and value added tax.

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold

Plant and machinery

25% per annum on the reducing balance basis

##### **1.6 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

# **PARTHENON ENTERTAINMENT LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2008**

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### **1 Accounting policies**

**(continued)**

#### **1.7 Revenue recognition**

The company's policy is to recognise TV Distribution income and associated royalties payable when all of the following criteria are met:

- a) a contract has been executed by both parties
- b) the relevant programmes have met all the necessary technical requirements
- c) delivery to the broadcaster has taken place
- d) the arrangement is fixed or determinable
- e) collection of the income is reasonably assured.

Any fees received in advance, which do not meet all of the above criteria, are included in deferred income until the above criteria are met.

#### **1.8 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### **1.9 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

# PARTHENON ENTERTAINMENT LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

### 2 Fixed assets

	Intangible assets £	Tangible assets £	Investments £	Total £
<b>Cost</b>				
At 1 April 2007	6,186,837	827,678	103	7,014,618
Additions	3,105,940	203,151	-	3,309,091
Disposals	-	(47,531)	-	(47,531)
At 31 March 2008	9,292,777	983,298	103	10,276,178
<b>Depreciation</b>				
At 1 April 2007	1,924,835	347,017	-	2,271,852
On disposals	-	(31,915)	-	(31,915)
Charge for the year	1,156,794	159,824	-	1,316,618
At 31 March 2008	3,081,629	474,926	-	3,556,555
<b>Net book value</b>				
At 31 March 2008	6,211,148	508,372	103	6,719,623
At 31 March 2007	4,262,002	480,661	103	4,742,766

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Barbershop Sound Studios Limited	England & Wales	Ordinary	100.00
Cymru International Limited	England & Wales	Ordinary	50.00
Cymru International 2 Limited	England & Wales	Ordinary	50.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2008 £	Profit/(loss) for the year 2008 £
	<b>Principal activity</b>		
Barbershop Sound Studios Limited	Audio Post Production	23,531	23,431
Cymru International Limited	Distribution and Licensing	(174,326)	3,241
Cymru International 2 Limited	Dormant	4	-

# **PARTHENON ENTERTAINMENT LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2008**

The figures for both Cymru International Limited and Cymru International 2 Limited relate to the the year ended 31 December 2007.

Cymru International 2 Limited was dormant during the year ended 31 December 2007, however started trading in the year ending 31 December 2008.

<b>3</b>	<b>Share capital</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	1,000 Ordinary of £1 each	1,000	1,000
		<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>		
	100 Ordinary of £1 each	100	100
		<u>          </u>	<u>          </u>

#### **4 Transactions with directors**

During the year the company paid rent of £48,000 (2007- £48,000) on a property owned by C V Hall and his wife, this transaction took place at arms length.

Included within trade creditors is £29,175 (2007 - £29,637) owed to C V Hall and his wife.

Included within creditors due within one year is £60,000 (2007- £317,953) and £520,000 (2007- £nil) due greater than one year, advanced to the company by C V Hall and his wife upon which interest of £28,665 (2007- £37,302) was due.

#### **5 Ultimate parent company**

The parent company is Parthenon Entertainment Group Limited, a company incorporated in Engalnd and Wales. The directors consider Arkaga Holdings Limited, a company incorporated in Jersey, to be the ultimate parent company.